





## Executive Summary



Dear Friends,

At Cycle Connect, we envision a world where every person living in the last mile has the means to thrive, not just survive. This vision is why our team goes the distance every single day to equip smallholder farmers in East Africa with the necessary tools to enable them to escape extreme poverty.

We kicked off FY20, in July, with the goal of partnering with 4,000 farmers. At the end of December, we closed out our second quarter feeling quite proud of the achievements our team made in the first half of our 2020 fiscal year. To date, we have worked with 1,467 farmers in our first two quarters. This brings our lifetime impact to partnering with over 6,000 farmers to impact the lives of over 30,000 rural Ugandans.

In our second quarter, October 1 to December 31, 2019, Cycle Connect partnered with 868 farmers, equipping these farmers with an asset that empowers them to increase income so that they can propel forward. This period taught us the value of partnerships. We gained many new partners in fundraising, innovations, marketing, and in our training.

I am very grateful for our team that is eager to serve the last mile. As we welcome 2020, our team will continue to go the distance to ensure every person in the last mile has the means to thrive. Thank you for being a part of our journey!

Molly Burke  
CEO

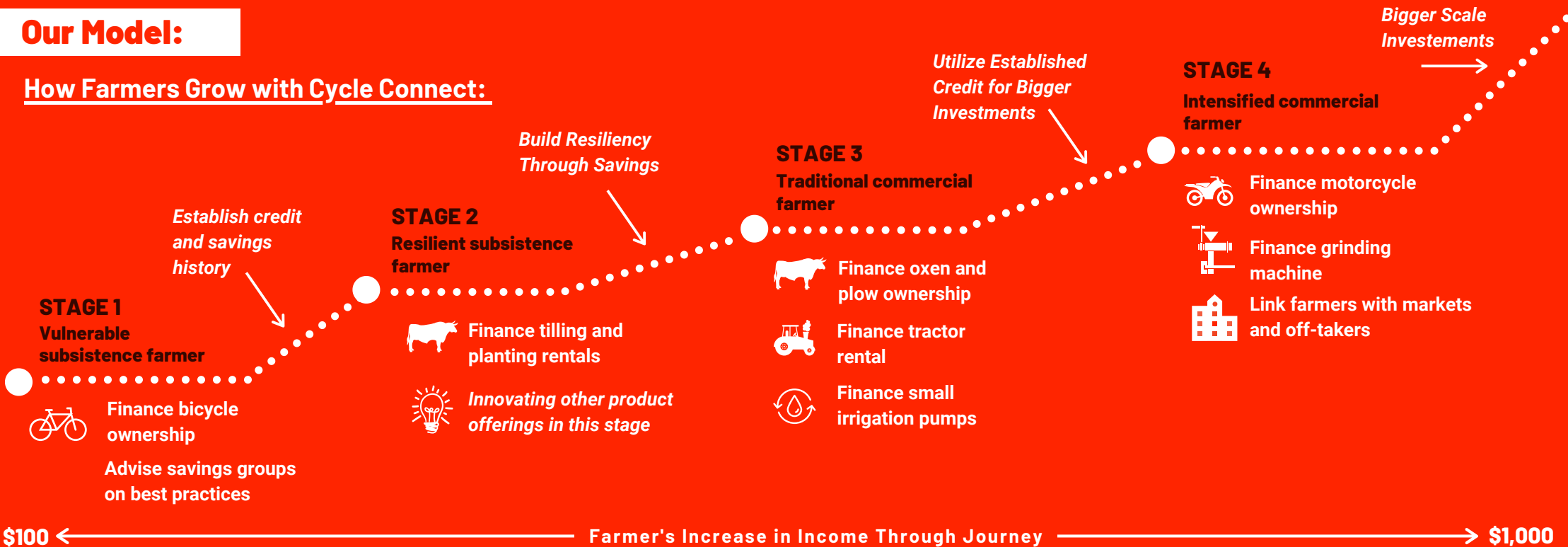


## Our Mission:

Cycle Connect's mission is to increase income for smallholder farmers living in East Africa through productive asset-financing and training.

## Our Model:

### How Farmers Grow with Cycle Connect:



## Product Development

● = Early R&D   ● = Field Testing   ● = Fully Developed



Bicycle



Tilling and Planting Rental



Oxen and Plow



Solar Irrigation Pump



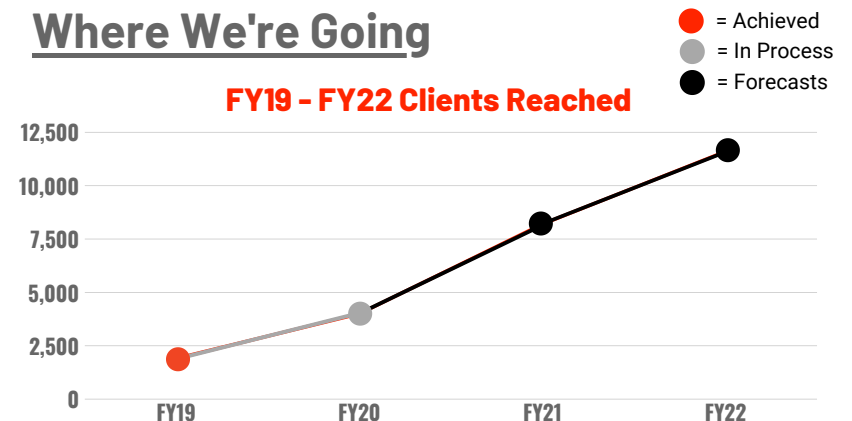
Motorcycle



Grinding Machine

## Where We're Going

### FY19 - FY22 Clients Reached



## FY2020 Q2 in Numbers

October 1 - December 31

# 868

CLIENTS  
SERVED

# 447

TRAININGS  
CONDUCTED

# 89%

REPAYMENT  
RATE

## Lifetime Impact

The impact we achieved in Q2 brings our lifetime impact to:

# 6k

CLIENTS SERVED  
TO DATE

# 30k

RURAL UGANDANS  
IMPACTED TO DATE

# >30%

AVG INCREASE  
IN INCOME

### Finance Numbers

## 11%

PAR 30 DAY

## \$198k

OUTSTANDING PORTFOLIO

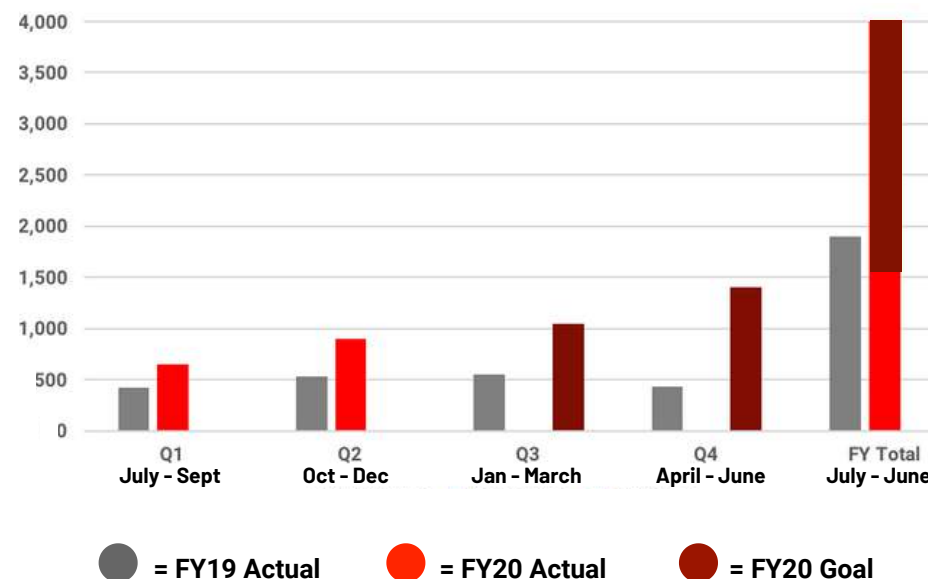
## 4%

WRITE-OFF RATIO

## Performance by Quarter

In FY 2020, our goal is to partner with **4,000 farmers** to equip them with the necessary tools to enable them to propel forward out of extreme poverty.

### FY19 vs. FY20 Quarterly Sales Performance



Cycle Connect has continued to double, year-over-year, as seen above. Our second quarter represents a 72% increase in sales performance compared to our previous fiscal year (FY19 Q2). Our fiscal year goal of partnering with 4,000 clients by our FYE (end of June 2020) represents a 110% increase compared to FY19 where our team partnered with 1,900 farmers.

Everyday our team goes the distance to ensure we deliver the highest level of impact. We are grateful to our supporters and our partners who fuel this growth.



## Q2 Program Updates

October 1 - December 31



### Credit & Marketing

Quarter two presented many challenges for our team; the holiday season brought up other needs for our clients we had to compete with, unusual torrential rains affected both our clients farms and our field staff activities, and the disintegration of groups made repayments challenging. However, our team persisted despite these challenges, displaying great team work, and made quarter two a success.

#### Our Team:

- Achieved **86%** of our ambitious asset disbursement goal
- Disbursed **868 loans** and conducted **447 trainings**
- Had good synergy with our existing and pipeline partners; closing on **84 leads** from groups presented by new pipeline partners (GIZ and ODFA)



### Finance & Fundraising

In Q2, we raised \$220k in philanthropy from individual and institutional donors. In Q1, we closed on our first ever impact investment with Yunus Social Business for a loan of \$100k. We built on this traction in our second quarter through closing on two more impact investments; \$50k from Kiva and an \$100k commitment from Segal Family Foundation.

#### **Philanthropy \$650k**

**Raising \$225k**

**\$425k COMMITTED**

**\$450K DEBT FOR  
WORKING CAPITAL**

**Raising \$200k**

**\$250k COMMITTED**

As we look towards the rest of the fiscal year, our fundraising team is focused on gaining \$225k in grants and \$200k in working capital.



### New Partnerships

We have the ambitious goal of working with one million smallholder farmers by 2028. We believe that partnerships will be the key to achieving this lofty goal. In Q2, Kiva joined us as a fundraising partner and GIZ and ODFA joined us as sales agent partners to connect our team to smallholders.

- **Kiva** - Cycle Connect was chosen for an impact investment through Kiva. Our loan was funded on their platform in less than a week!
- **GIZ and ODFA**- GIZ, the german government development arm, joined us as a sales agent partner to help our field team identify farming clients. We also began working with ODFA, Oyam District Farmers Association, to pinpoint farming groups in northern Uganda.



### Innovations and Research

Our Innovations Department houses tests to both product development and system improvements. In our second quarter, the team began testing two new product offerings, tilling rental loans and solar irrigation, to add to our portfolio. They also launched tests around how we can utilize behavior science to incentivize repayments.

#### Our Team:

- Disbursed two solar water pump loans from SolarNow
- Tested three tilling rental loans
- Utilized behavior science via forming a new oxen loan group to test nudges and incentives for group leaders
- Hired an M&E consultant to redesign and test new tool to continuously measure changes in customer income via regular data collection

## Spotlight on New Product Innovation

The Cycle Connect Innovation's Department exists to test both process improvements and new product development.

### Product Development

In Q2, our Innovations Department began testing the addition of two new product offerings to our portfolio:



#### Tilling Rental Loans

Our team is testing just-in-time tilling rental loans to create an on-demand tilling loan to help farmers combat climate change and increase productivity. We are testing both oxen and tractors for this loan. Our plan is to test small and build out.

This loan brings mechanization to typically manual processes. Both oxen and tractors have the ability to improve tilling time; enabling a farmer to cultivate an acre in a few days versus the standard 4 - 6 weeks. Empowering farmers to produce greater yields increases both food security and income.



#### Solar Irrigation Loans

Our team has identified a handful of potential solar irrigation partners to begin testing with for the creation of a solar irrigation loan.

Solar irrigation equips farmers to plant in off-seasons which enables them to add another harvest cycle to their year. Like our tilling loans, this asset helps to mechanize farmers, increases food security, and generates greater yields. This empowers farmers to close the agricultural output gap in East Africa and to reach their full potential.

### Process Improvements

We believe in the power of behavioral science and are testing new ways to deploy it. In our second quarter, our team began testing **nudges via SMS** and **flexible repayment schedules** to find new means to incentivize repayments. Ultimately such tests enable us to reach more vulnerable families in a scalable way

#### ***Did you know that the majority of our clients are female smallholder farmers?***

*Joyce Ojara Acan is one of the 3,000+ female clients that Cycle Connect has partnered with. Our innovations team tests new products so we can give farmers like Joyce the opportunity to continuously invest.*

**[Read Joyce's Story →](#)**



Joyce Ojara participated in a tractor rental loan test with Cycle Connect. She used the tractor hire loan to plow an additional two acres, doubling her cultivated land for the season. Joyce could not have expanded her cultivated land without access to financing. A tractor can plow 6-7 acres in a day but it takes 4-6 weeks to plow one acre by hand. The tractor rental has helped her to grow her harvest. Her example shows the importance of offering increased access to mechanization services for farmers.



## Q2 Organizational Updates

October 1 - December 31

### Team Updates

- **Kampala Office** - To further build a network of partners in Uganda, our team established an office in Kampala for members of our leadership team to work from when they're not in the field. We share the office with a fellow social enterprise, Geo Gecko. This means that we now have offices established in Gulu, Lira, and Kampala. If you're in Kampala, come visit our office at Plot 8 Kanjokya street in Kisementi.

### New Hires

#### **Emmy Okkema, Country Director**



Emmy Okkema is the Country Director at Cycle Connect and responsible for driving the expansion and growth of the organization. She has over 6 years of leadership experience, with a particular focus on adding structure and building out teams at the companies where she worked.

Emmy has lived in Uganda since 2013 with her husband and two boys. Before joining Cycle Connect, she worked for six years in leadership positions at companies focused on micro-entrepreneurship and start-up development. Her most recent position was at Expat Assist where she led their strategic direction to accomplish the company's operational goals and implemented lean operating procedures and structures to lead the company to profitability.



### Operations

Quarter two was focused on improvement of systems and digitizing processes. A lot of focus was put into supporting our Lira satellite which resulted in Lira becoming an independent branch.

#### Our Team:

- Finalized recruitment of key hires; including Country Director and Branch Manager for our Gulu office
- Developed a salary/competency matrix
- Turned Lira satellite into an independent branch

In Q3 (Jan 1 - Mar 31), we will continue to focus on components of our talent development strategy.

We will additionally invest in research and testing of new systems, including a CRM.





## Thought Leadership

**How a Single Bicycle Led to Increased Income for Thousands of Ugandan Farmers**

**SEE Change Magazine**

[Read here →](#)

**Cycle Connect CEO, Molly Burke, Presents at 2019 GSBI Investor Showcase**

**Miller Center for Social Entrepreneurship**

[Watch here →](#)

**Defining Who You Are Before Deciding Where You Want to Go**

**Pace Able Foundation**

[Read here →](#)

## What We Are Reading?

**Tale of Two Sisters: Microfinance Institutions and PAYGo Solar**

**CGAP**

[Read here →](#)

**Pathways to Prosperity**

**ISF**

[Read here →](#)

**The Culture Factor**

**Harvard Business Review**

[Read here →](#)

## Our Partners

**kiva**



**Pace Able  
FOUNDATION**



**YUNUS  
socialbusiness**



**SHONA**

**PEERY  
FOUNDATION**

**Segal  
Family Foundation**



**We envision a world where  
everyone living in the last mile  
has the means to thrive, not  
just survive.**



***Thank you for being a part of our journey!***

